Tells the Facts and Names the Names

CounterPunch

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SPECIAL ISSUE ON THE COMING DEATH OF THE ENDANGERED SPECIES ACT

- How Washington's Green Powerbrokers Hatched a Bait-and-Switch to Doom America's Greatest Environmental Law
- How Money From Oryx, Sunoco, Standard Oil and Citgo Has Bought Up and Destroyed Their Foes
- Where Do Pew, Alton Jones and Rockefeller Family Fund Invest Their Money? In Mining, Real Estate, Timber, Oil and Gas, and Arms Firms
- Conflicts of Interest: Donald Ross and Weyerhaeuser
- How Alton Jones Wins When It Loses on the Salmon River

■

Class Struggle

"Someone who is making anywhere from $300,000 to $750,000, that's middle class."

— Rep. Frederick Heineman, Republican, North Carolina

The Fake Fight Over the Endangered Species Act

The art of betraying binding commitments in politics is to swear that never will you adopt a particular course of action, while at the same time inching along that same line by prudent and tactful degrees. It's the way Woodrow Wilson got America into World War I; it's the way FDR got America into World War II; and it's the way Bill Clinton is destroying the Endangered Species Act.

This act, passed in 1973 in the reign of good King Richard Nixon, friend to all living things, was one of the single most important pieces of environmental legislation in the nation's history. It imposed prohibitions on human activities that threatened any species classified as being on the verge of disappearance. Now watch it die.

In September of this year Alaskan Representative Don Young, a former taxidermist and now head of the House Resources Committee, and California Representative Richard Pombo — a rancher — introduced a bill that would straightforwardly dismantle the Act. It would allow the secretaries of Interior and Commerce full license to permit species to go extinct. It also promises enormous hand-outs to any corporation pleading that existing legislation on preserving species has cost it money.

This "extreme" bill has been the first part of an elaborate bait-and-switch. The second part has been another bill introduced by Wayne Gilchrist of Maryland, a leader of the so-called moderate Republican revolt in the House. His is a lightly green-washed version of the one put forward by Young and Pombo. Instead of the secretaries of Interior and Commerce acting as a two-person God Squad decreeing extinctions without appeal, it sets up an advisory panel, hand-picked by the Secretaries, which would do cost-benefit analyses on whether species are worth saving or not.

Thus we have the traditional fake battle so necessary to liberal illusions and agendas. The big environmental groups are already raising money by the sackload with emergency appeals to "save" the Endangered Species Act. Most prominent here is an organization called Defenders of Wildlife, which vows in its fundraising literature to "be the last line of defense for America's endangered species". Needless to say, Defenders was one of the very first organizations to sign onto the Gilchrist bill, followed swiftly by such other groups as National Wildlife Federation, Environmental Defense Fund and Wilderness Society.

The Gilchrist bill is carefully styled to appeal precisely to the neo-liberal tastes of Defenders of Wildlife and Bill Clinton. Indeed Clinton has called Defenders his favorite environmental group, citing its promotion of free-market environmentalism. Just before Labor Day Clinton hunkered down for a strategy talk with Defenders officials in the course of his golfing trip to Yellowstone National Park. He emerged from the meeting saying that the "corner has been turned on the Endangered Species Act. There will be changes, but the Act will be saved."

Soon after this conclave, Defenders announced its support for the Gilchrist bill, which offers all-important "market incentives" to private landowners to protect nature. Under its terms, the Feds would either buy conservation easements on private lands, or compensate private owners for financial losses incurred during the protection of a species. All this has very little to do with small landowners and everything to do with big corporate outfits such as timber and mining companies, and coastal developers

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who will be promised lavish pay-offs for not destroying nature.

Though the Endangered Species Act needs strengthening (the addition of any species often requires endless litigation) DC's environmental operators weren't able to convince even a single House Democrat to introduce a bill even maintaining the existing Act. So Gilchrist's has become the "environmental" bill.

Newt Gingrich recently entered the fray, after several meetings with sociobiologists such as Harvard's Edward O. Wilson, who no doubt sees the Act as an impediment to proper Darwinian shakeout. He said he would offer a fusion bill melding the Young and Gilchrist proposals. This bill is likely to be introduced in the House by New Jersey's James Saxton.

In the Senate, Montana Democrat Max Baucus has announced his intention to sponsor a bill with the same function as Gingrich's. This disastrous bill also stands a good chance of garnering an endorsement from DC environmental brokers, since Baucus's former chief of staff, Rodger Schlickeisen, now serves as president of Defenders of Wildlife.

But behind this legislative bait-and-switch – which augurs easy passage of the "Gingrich compromise" – is yet another bait-and-switch. Behold the old Washington ploy of making a huge legislative uproar over something that has already happened.

With all eyes fixed on the battle to the death over the Endangered Species Act, the Clinton team has already hollowed out the Act by administrative decrees. Within months of taking office, Clinton and Interior Secretary Bruce Babbitt offered up the blue-gray gnatcatcher to California developers under the famous win-win compromise California Governor Pete Wilson's environmental appointees pioneered. This approach decreed that in a face-off between coastal developers building condos on endangered gnatcatcher territory, the builders would get the housing sites and the golf courses and the gnatcatcher would get a few acres of cliff face politely called "habitat". That, at least for the gnatcatcher, will be that. Similarly, despite many a verbal flourish about conservation, Clinton's Option 9 plan for the old-growth forests in the Pacific Northwest allows so much logging to take place that even the government's own scientists now say that the spotted owl and the marbled murrelet cannot be saved from extinction.

Another victim of the win-win compromise is the gray wolf, which the Clinton administration recently reintroduced to the Northern Rockies as "a non-essential, experimental population", meaning that such wolves can be shot on sight by any rancher claiming that his livestock is in danger. By such administrative fiat, the gnatcatcher, spotted owl, marbled murrelet and wolf are already on the road to doom, even though the present Endangered Species Act is still in force.

We are also seeing the wholesale, hostile takeover of such resistance as remains in the environmental movement. Led by former Indiana congressman Jim Jontz, the Endangered Species Coalition, a confederation of grassroots groups, was waging an effective guerrilla campaign against gutting the Act. But the Coalition has now been bought up by the Pew Charitable Trusts.

In mid-September, Pew's Josh Reichert and Tom Wathen offered $1.5 million to the big national groups that had been sponsoring this grassroots effort. But the money came with a non-negotiable rider, namely that the Jontz team be dumped and replaced by a Democratic Party hack, Phil Clapp, a former aide to Senator Tim Wirth of Colorado, who now holds a high position in the Clinton administration. Jontz was promptly booted out of his National Audubon Society offices and Clapp took charge. One of the latter's first acts as head of the Coalition was to hire Democratic political organizers to work in the state of Iowa. Why? Because this is where Republican candidates will be gathering for the presidential caucus. And it's where Clapp and his accomplices can tout Clinton's unflinching defense of endangered species. Indeed on Oct. 30, the Clintonites, "struggling to overcome congressional hostility" to the Act, in the naive words of *The Washington Post*, made much of the Interior Department's biennial report on the Act's supposed effectiveness.

Pew's $1.5 million is not designed to buy survival of the present Endangered Species Act. The Democratic operators who run it hope to assist Clinton win a second term, and to undercut any resistance to a "moderate solution" to the Endangered Species Act problem.

So we see a win-win solution for all the political players. With the South lost to the Republicans, Clinton's only hope is the West. His strategists are convinced that there are millions of votes to be won among New Westerners-urbanites driving all-terrain vehicles – content with a president trumpeting his prudent management of natural resources.

When the compromise bill goes through, the big green groups, having already raised millions supposedly fighting to save the Act, will then raise millions more by claiming victory. Because a fiction still known as the Endangered Species Act will be around, the pro-industry Wise Use Movement will still be able to raise money to fight it. As for the corporations: if they log, mine or build on public lands, they will still receive billions in taxpayer subsidies and if they choose not to log, mine or build on their own properties they can claim ecological harm or a "takings" of their private property rights and get millions more in compensation.

There you have it. A win-win solution for everyone except the spotted owl, wolf, grizzly, salmon and all those other species soon to disappear from the face of the Earth or to be preserved in test tubes in some genetic zoo. ■

Editors
KEN SILVERSTEIN
ALEXANDER COCKBURN

Production
TERRY ALLEN

Counselor
BEN SONNENBERG

Design
DEBORAH THOMAS

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CounterPunch
P.O. Box 18675
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202/986-3665 (phone/fax)

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How Oil Money Buys Liberals

John D. Would Have Been Proud

Back at the start of the century, John D. Rockefeller remarked that "Not even God Himself can keep me from giving my money to the University of Chicago." The old bandit's investments duly paid off. Today, platoons of Chicago economists and jurists all hymn the free market and invoke inexorable "laws" requiring that some be rich and many be poor.

Philanthropy and its purposes remain the same today as they did when Rockefeller millions were dispensed to winch the family name out of the mud. Today the environmental movement receives about $50 million a year from three oil companies, operating through front groups politely described as private foundations. The top givers are the Sun Oil Company (Sunoco) and Oryx Energy, which has vast holdings of natural gas in Arkansas and across the oil patch. The Pew family once entirely controlled the two companies. Oryx shareholders recently sued the Pews for insider trading.

In 1948 the family set up the Pew Charitable Trust, based in Philadelphia; today its endowment totals $3.4 billion. In its early days the foundation (now seven trusts in all) was vociferously right-wing, with money going to the John Birch Society, Billy Graham and population control, an unending obsession of the rich.

The utility of buying liberals impressed itself on the family rather late, in the 1980s. Since then they have more than made up for lost time. Pew Charitable Trusts now represent one of the largest donors to the environmental movement, investing about $20 million a year.

But this does not tell the full story of coercion through money. At the head of the Pew environmental sector sits Joshua Reichert. Reichert and his subordinates Tom Wathen and John Gilroy not only allocate Pew money for such purposes as are described elsewhere in this edition of **CounterPunch** (most recently, the $1.5 million to buy off defenders of the Endangered Species Act and turn the revised and neutered law to Clinton's political advantage). Reichert and Co. also help direct the donations of other foundations mustered in the Environmental Grantmaker's Association, which collectively doles out more than $350 million a year. Pew never goes it alone, but works in coalitions with these other foundations, which means almost no radical opposition to its environmental policies can get any money. Some grant-givers have objected to Pew's leveraged buyouts of environmental campaigns, notably the Levinson, Patagonia, and Turner Foundations.

One of the conditions attached to a Pew grant is that the recipient's attention be focused on government actions; corporate wrongdoers are not to be challenged. Thus, with Pew money rolling its way, the environmental opposition becomes judicious, muted and then disappears. As Sam Hitt of New Mexico's Forest Guardians put it, "Pew comes into a region like a Death Star, creating organizations that are all hype and no substance, run by those whose primary aim is merely to maintain access to foundation funding."

Pew recipients must focus on government actions; corporate wrongdoers are not to be challenged.

Meanwhile, these trusts carefully invest in the very corporations that a vigorous environmental movement would adamantly oppose, in timber, mining, oil, arms and chemicals. The annual yield from these investments far exceeds the dispensations to environmental groups.

Take just one of the seven Pew trust funds, the Pew Memorial Trust. This enterprise made $205 million in "investment income" in 1993 from such stocks as Weyerhaeuser ($16 million), the mining concern Phelps-Dodge ($3.7 million), International Paper ($4.56 million) and Atlantic Richfield, which is pushing hard to open the Arctic to oil development ($6.1 million). The income yield from rape-and-pillage companies accruing to Pew in this single trust is twice as large as its total grants and six times as large as all of Pew's environmental disbursements.

Next of the big three in environmental funding is the oil company known as Cities Service (Citgo), which endowed the W. Alton Jones Foundation, based in Charlottesville, Virginia. In the merger frenzy of the 1980s, Citgo was ultimately taken over by Occidental Petroleum in a move that saved Ivan Boesky from financial ruin. Alton Jones maintains an endowment of $220 million and in 1993 gave out $15.7 million in grants. According to its charter, the purpose of the foundation is two-fold: preserving biological diversity and eliminating the threat of nuclear war. Alton Jones gives about $14 million a year to environmental causes with the same engulf-and-neuter strategy as Pew. This apostle of peace has maintained very large investments in such arms manufacturers as Martin Marietta, Raytheon, Boeing and GE.

Alton Jones's portfolio has also been enhanced by income from bonds floated by Charles Hurwitz's Scotia Pacific Holdings Company. This subsidiary of Maxxam is currently trying to cut down the Headwaters Grove, the largest patch of privately owned redwoods in the world. Its 1993 statement to the IRS also revealed a $1.4 million stake in Louisiana-Pacific, which is the largest purchaser of

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timber from publicly-owned federal forests and has been convicted of felony violations of federal environmental laws at its pulp mill in Ketchikan, Alaska.

As of the last filing, Alton Jones had a position (just under $1 million in stock) in FMC, the big gold mining enterprise whose impending cyanide dosing of endangered salmon habitat at the Beartrack Mine in Idaho was helped along by Commerce Secretary Ron Brown. Picking up revenue from FMC's salmon destruction with one hand, in 1993 Alton Jones gave about $60,000 with the other to "protect" the endangered salmon in the same area.

This money went to the most compliant organizations, such as the Pacific Rivers Council. At a crucial moment last January, this group, together with the Wilderness Society, another recipient of Jones cash, demanded that a federal judge suspend an injunction they had, to their great alarm, just won. This injunction had shut down FMC's Beartrack Gold Mine, from which it expects to make $300 million courtesy of the 1872 Mining Act, whose reform the Clinton administration has carefully avoided. When the Wilderness Society's attorneys asked Judge David Ezra to rescind the injunction, he was outraged but had no alternative but to comply. FMC's stock promptly soared.

The last of the big three is the Rockefeller Family Fund, run by ex-Naderite Donald Ross who, as of the last filing with the IRS in 1993, was paid $130,000 a year plus another $23,000 in benefits. The relationship of the Family Fund to Rockefeller oil money scarcely needs stating. Though the Fund dispenses a relatively puny $2 million a year in grants, it exercises great influence by dint of Ross's leadership of the Environmental Grantmaker's Association. The Fund also functions as a staff college. John Gilroy and Tom Wathen, both of Pew, learned their trade under Ross's tutelage.

Seven years ago, when the *Multinational Monitor*, a Nader publication, revealed that the 10 largest foundations in America owned billions in stock of companies doing business in South Africa, Ross lamented that many foundations "simply turn their portfolios over to a bank trust department or to outside managers and that's the last they see of it". If the implication here was that conscientious foundations should keep an eye on their investments, Ross has some explaining to do. The Rockefeller Family Fund, in its 1993 IRS filing, held $3.5 million in oil and gas stocks, including Amerada Hess (one of the first to drill on Alaska's North Slope).

The Fund also maintains hefty investments in mining companies, including ASARCO, an outfit with a notorious environmental rap sheet. Its activities have laid waste western Montana, easily overwhelming the protests of the toothless Mineral Policy Center, which has conducted a futile campaign partially funded by the Rockefeller Family Fund. Ross also invested the Fund's money in FMC and Freeport-McMoRan, whose worldwide operations are on the cutting edge not only of ecocide but – in Indonesia – of genocide as well.

As of 1993 Ross's outfit had a strong position in Weyerhaeuser, the largest private timberland-owning company in North America. The possibility of double-dealing endemic to all foundations with the ability to influence federal policy is sharply illustrated here. The Rockefeller Family Fund was lead architect of the campaign to protect ancient forests on public lands in the Northwest. Any reduction – actual or prospective – of timber available on public lands sends up the value of privately-held timber tracts. The Fund made a killing out of buying Weyerhaeuser stock low and selling it high, before large-scale logging began again on public lands.

Wall Street arbitrageurs call this kind of trading "front-running". The Family Fund was nicely covered because it also had holdings – $237,000 – in Boise Cascade, which is the largest purchaser of federal timber sales in the Northwest. Indeed, last year Boise Cascade bought the Sugarloaf tract of 900-year old Douglas-fir trees in southern Oregon's Siskiyou National Forest. It is now logging there, thanks to a deal between the Clinton administration and environmental groups funded and closely supervised by Donald Ross. Ross was the man who hired the Democratic Party hack Bob Chlopak (another former Naderite) to oversee the conversion of a tough national movement, sworn to fight Clinton to the death on old-growth forests, into a supine coalition which swiftly draped itself in the white flag of surrender. ■

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